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RETAIL PRICES AND BASIC WAGE RATES - MARCH QUARTER, 1966

CONSUMER PRICE INDEX

The Consumer Price Index measures quarterly, for each State Capital, the variations in prices of commodities and services as affecting a high proportion of the expenditure of wage-earner households. Commodities and services included in the index are food, clothing, drapery, home ownership, rent of privately owned and government owned houses, fuel, light, furniture, household appliances and supplies, fares, motoring, tobacco, cigarettes, beer, cinema, radio and television licences, newspapers, postal and telephone services, hairdressing, dry cleaning, and various other items.

The various commodities and services have been combined into groups, and group indexes are available for Food, Clothing and Drapery, Housing, Household Supplies and Equipment, and Miscellaneous.

The customary procedure of pricing food index items as at the 15th of each month and those of virtually all other index items as at the 15th of the mid-month of the quarter continued to apply during the quarter under review. Prices collected subsequent to the introduction of decimal currency (14th February, 1966) were obtained in terms of whichever currency, the old or the new, was the basis of operation in the separate shops or outlets. The index continues to measure the proportionate changes in prices actually being charged for the specified quantities and qualities of the items included in the index.

The indexes measure price movements in each city individually. They do not provide a comparison of the retail price level in any city with the retail price level of any other city. The base of the index for each city and for the weighted average, six State Capitals, is year 1952-53 = 100.0. Group indexes also have separate bases for each group.

There was an increase of 1.0 per cent in the Brisbane Consumer Price Index from December quarter, 1965, to March quarter, 1966. The All Groups index rose from 140.0 to 141.4. The increase during the quarter of 1.0 per cent was slightly less than the 1.2 per cent increase which was recorded for December quarter, 1965, and substantially less than the 1.9 per cent increase recorded for September quarter, 1965. The increase over the year ended March, 1966, was 5.1 per cent.

The Food Group index rose from 151.0 for December quarter to 151.7 for March quarter, an increase of 0.5 per cent. This was the smallest quarterly increase for this group since December quarter, 1963, when a decrease of 0.4 per cent was recorded. Although prices rose during the quarter for beef, mutton, bread, eggs, and milk, these increases were largely offset by a substantial decrease in the price of potatoes and a small decrease in the price of onions. There were some slight price decreases among other food items but the overall movement of prices for these items was in an upwards direction although their combined effect on the index was relatively small.

There was a small increase for the quarter of 0.2 per cent in the Clothing and Drapery Group. The index rose from 120.6 to 120.9. The most significant increase was for footwear items.

The Housing Group index rose from 157.7 to 158.8, an increase of 0.7 per cent. The increase was attributable to both the ownership and rental sections.

A small increase of 0.3 per cent was recorded for the Household Supplies and Equipment Group, with the index number increasing from 114.7 to 115.1. There was no significant increase in any particular section of the group.

The Miscellaneous Group accounted for two-thirds of the total quarterly increase in the All Groups index. This group index increased by 2.8 per cent from 147.8 to 152.0. The items principally responsible for the increase were fares and newspapers. Other variations in the group were of a minor nature, with small increases being recorded for some sections and small decreases for others.

The Consumer Price Index increased in three State Capitals from December quarter, 1965, to March quarter, 1966, decreased in one, and was unchanged in two. Percentage variations were as follows:- Brisbane, +1.0; Perth, +0.8; Adelaide, +0.3; and Hobart, -0.5. There was no change in Sydney and Melbourne. The increase recorded for the weighted average of the six State

Since the base year, 1952-53, the rise in the retail price level has been greatest in Brisbane and smallest in Perth. Percentage increases from 1952-53 to March quarter, 1966, were as follows:- Brisbane, 41.4; Hobart, 38.1; Melbourne, 37.2; Sydney, 33.3; Adelaide, 33.1; and Perth, 32.8. The rise in the weighted average for the six State Capitals was 35.4 per cent. (It should be noted that these figures merely indicate rates of price rises in separate cities, and do not represent in any way the relativities of actual price levels in the different cities.)

COMMONWEALTH AND STATE BASIC WAGE RATES

Commonwealth and State basic wage rates are reviewed by the appropriate Industrial Authorities from time to time. The last variation made by the Commonwealth Conciliation and Arbitration Commission was an addition of £1 (\$2) to the male basic wage, with corresponding adjustments to the female and juvenile rates, and operated from 19th June, 1964. After the 1965 hearing by the Commission, a majority decision resulted in no alterations to basic wages. A hearing was commenced on 1st March, 1966, on an application to increase the basic wage.

The Queensland Industrial Conciliation and Arbitration Act of 1961 abolished automatic quarterly reviews of the State basic wage, but the Industrial Commission was empowered to vary the wage after a general hearing on the applications of interested parties. On 1st April, 1965, the Commission stated that, as a matter of policy, in future it did not propose to deal with an application to vary the basic wage solely because of a change in the Consumer Price Index unless such change warrants an alteration of 4s. (40c) or more in the basic wage. An increase of 5s. (50c) for males and 3s. 6d. (35c) for females was granted from 20th September, 1965, and the Commission stated that it would not further review the basic wage prior to 1st July, 1966. After the Commission refused to hear an application for an increase lodged in October, 1965, further applications for increases in the basic wage were lodged in January, 1966. The Commission decided on 6th April, 1966, to commence hearing these applications on 26th April, 1966.

Basic Wage Rates - State Capital Cities

Capital City	Commonwealth Basic Wage			State Basic Wage		
	Males	Females	Date of Operation ^a	Males	Females	Date of Operation
	\$	\$		\$	\$	
Brisbane ..	29.00	21.75	19.6.64	31.40	23.55	20.9.65
Sydney ..	31.50	23.60	19.6.64	31.50	23.60	19.6.64a
Melbourne ..	30.70	23.00	19.6.64	30.70	23.00	June, 1964b
Adelaide ..	30.30	22.70	19.6.64	30.30	22.70	22.6.64a
Perth ..	30.80	23.10	19.6.64	32.38	24.28	25.1.66
Hobart ..	31.40	23.55	19.6.64	31.40	23.55	June, 1964b

a From the first pay period commencing on or after the date shown.

b Most Wages Boards adopted the Commonwealth rate during June, 1964.

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26th April, 1966

Table 1 - Consumer Price Index - Total and Group Indexes - Brisbane
(Year 1952-53 = 100.0)

Period	Food	Clothing and Drapery	Housing	Household Supplies and Equipment	Miscell- aneous	All Groups
<u>Year -</u>						
1955-56 ..	107.7	102.2	110.5	102.6	108.0	106.3
1956-57 ..	111.5	104.7	118.4	106.5	118.9	112.0
1957-58 ..	113.0	107.8	123.9	108.3	120.5	114.4
1958-59 ..	119.8	109.4	128.4	109.0	123.6	118.2
1959-60 ..	124.2	111.9	132.6	110.6	125.6	121.2
1960-61 ..	130.4	115.1	137.6	111.3	129.5	125.4
1961-62 ..	130.8	116.7	140.5	113.0	133.3	127.3
1962-63 ..	129.8	117.0	144.0	112.8	134.4	127.7
1963-64 ..	133.1	117.8	145.2	111.7	135.2	129.0
1964-65 ..	141.5	119.5	149.0	112.7	140.9	133.9
<u>Quarter -</u>						
1965 - March ..	142.7	119.7	149.5	112.7	141.7	134.6
June ..	145.0	120.1	150.4	113.1	142.4	135.7
September	149.7	120.2	157.1	114.2	143.1	138.3
December	151.0	120.6	157.7	114.7	147.8	140.0
1966 - March ..	151.7	120.9	158.8	115.1	152.0	141.4
Percentage Increase or Decrease (-) on Previous Quarter						
<u>Quarter -</u>						
1965 - March ..	1.7	0.4	0.5	-0.1	0.7	0.9
June ..	1.6	0.3	0.6	0.4	0.5	0.8
September	3.2	0.1	4.5	1.0	0.5	1.9
December	0.9	0.3	0.4	0.4	3.3	1.2
1966 - March ..	0.5	0.2	0.7	0.3	2.8	1.0

Table 2 - Consumer Price Index - State Capital Cities
(Year 1952-53 = 100.0 for Each City and for Six State Capitals)

As the base for each city is 100.0, the indexes in the table below do not indicate relative price levels as between cities, but they may be used to compare relative price movements in the various cities.

Period	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Weighted Average Six State Capitals
<u>Year -</u>							
1955-56 ..	105.7	108.1	106.3	106.9	107.9	110.2	106.9
1956-57 ..	112.9	114.0	112.0	111.1	112.9	116.9	113.1
1957-58 ..	114.5	114.4	114.4	111.9	113.6	117.0	114.2
1958-59 ..	115.3	116.6	118.2	114.5	114.7	118.7	116.0
1959-60 ..	117.8	120.0	121.2	118.0	116.9	120.8	118.9
1960-61 ..	122.1	125.9	125.4	122.9	121.2	127.5	123.8
1961-62 ..	122.6	126.3	127.3	122.5	121.6	128.1	124.3
1962-63 ..	123.2	126.2	127.7	122.1	122.2	128.0	124.5
1963-64 ..	124.5	127.1	129.0	123.5	123.8	129.4	125.7
1964-65 ..	128.8	132.2	133.9	128.6	127.6	133.6	130.4
<u>Quarter -</u>							
1965 - March ..	129.1	132.9	134.6	128.9	128.0	134.0	130.9
June ..	130.3	134.4	135.7	129.9	129.3	135.2	132.1
September	131.8	135.6	138.3	130.7	130.0	137.0	133.5
December	133.3	137.2	140.0	132.7	131.7	138.8	135.2
1966 - March ..	133.3	137.2	141.4	133.1	132.8	138.1	135.4